

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF
THE EAST KERN AIRPORT DISTRICT
July 21, 2009**

The Board of Directors of the East Kern Airport District duly met for a Regular Meeting at the District Offices in the Administration Building at Mojave Airport, Mojave, California, at the hour of 2:00 o'clock p.m. on Tuesday, July 21, 2009.

President Balentine called the meeting to order and led those assembled in the Pledge of Allegiance.

The Clerk called the roll and the following Directors were present: Balentine, Hansen, Rutan and Walker. Also present were the District's General Manager, Stuart Witt, Director of Business Operations, Tom Weil, Director of Finance, Erika Westawski by telecom and Deputy Counsel, Scott Nave.

President Balentine presented the Agenda and requested to add to General Manager's Report items "4D) AV Fuel Supply Agreement" and "4F) Resolution to amend CalPERS Contract." Upon motion by Director Walker, seconded by Director Hansen and unanimously carried, it was:

RESOLVED: That the Board find the need to take action with respect to "AV Fuel Supply Agreement" and "Resolution to amend CalPERS Contract" has arisen subsequent to the posting of the agenda and that agenda be approved with the addition of "AV Fuel Supply Agreement" and "Resolution to amend CalPERS Contract."

CONSENT CALENDAR

President Balentine presented the Consent Calendar and recommended approval of items A through C. Upon motion by Director Hansen, seconded by Director Walker and unanimously carried, Consent Calendar was approved as submitted with the exception of items D and E.

3A) Minutes of July 7, 2009:

RESOLVED: That the Minutes of the Regular Meeting of July 7, 2009 be approved as submitted and further reading thereof be waived.

3B) Kern County Fire Fighters Union: The Kern County Fire Fighters Union has requested District's financial support for the 21st Annual Benefit Show, featuring "Hot August Night", a tribute to Neil Diamond. The benefit show will be held on Friday, October 23, 2009 at the Bakersfield High School Harvey Auditorium. The sponsorship will involve a quarter page advertisement in the Fire Safety journal, consisting of fire prevention articles, emergency phone numbers and other advertisements from local concerned citizens.

RESOLVED: That Board approve Kern County Fire Fighters request for District's participation in the form of an advertisement sponsorship in support of their 21st Annual Benefit Show, "Hot August Night" for a quarter page ad at an amount not to exceed \$275.00.

3C) Kern Tax Association Membership: Kern Tax is an oversight organization of Kern County taxpayers, cooperating with various governmental agencies to strive for economy and efficiency in governmental affairs in our County.

RESOLVED: To approve District's membership investment with the Kern County Taxpayers Association in an amount not to exceed \$500.00.

NEW BUSINESS:

DIRECTOR OF BUSINESS OPERATIONS REPORT

4A) General Fund Check Registers 07/02/09 – 07/13/09: Upon motion by Director Walker, seconded by Director Hansen and unanimously carried, it was:

RESOLVED: That Board approve checks on register date July 2, 2009 in the amount of \$88,560.31, check on register date July 6, 2009 in the amount of \$1,018.00 checks on register date July 9, 2009 in the amount of \$115,344.21 and check on register date July 13, 2009 in the amount of \$29,647.58.

4B) FAA/AIP Check Register: Upon motion by Director Walker, seconded by Director Hansen and unanimously carried, it was:

RESOLVED: That Board approve checks on register date July 6, 2009 in the amount of \$21,492.35 for FAA/AIP Account.

4C) Financial/Treasurer's Report: Director of Finance, Erika Westawski, updated the Board on Financial/Treasurer's Report for the month of June. The ending balance for June totaled \$3,323,255.63 with an outstanding A/R of \$7,307.45 (EDA) bringing the adjusted ending balance for June to \$3,330,563.08. She stated that this has been a good year and noted a cash flow analysis was conducted comparing June of 2008 which reflects an increase of approximately \$334,131.00. It was also noted that she added an additional item to the report, FAA General Aviation Apron Rehabilitation – Phase II in the amount of \$77,443.40 which will be used as the matching funds for that project. Upon motion by Director Hansen, seconded by Director Walker and unanimously carried, it was:

RESOLVED: That the Financial/Treasurer's Report for June, 2009 be approved as submitted.

GENERAL MANAGER'S REPORT

4A) Establish new position for IT Professional/Contracts Administrator: General Manager discussed with Board request to approve a new position of IT Professional – Contracts Administrator. The person in this new position would report to the General Manager and assist the Business Operations Manager. It was noted that with the growth of the District we now have a network with a number of computers, computer based cameras, security gates and access points and a very sophisticated radar system in the new tower. Service and administration for these systems are presently outsourced and the General Manager stated that it is now time to bring these functions in-house augmented by outside support.

Position Requirements:

- Maintain LAN and desktop systems
- Install and maintain H/W and S/W
- Assist in Pump house alerting system maintenance and operations (O&M)
- Assist with Security System O&M
- Assist with O&M of Tower RADAR display system
- Complete an in-house contracts management course and assist the BOM
- Support Departments and GM with all IT services and Contract support

General Manager stated that we have a need for a second person to support the Business Operations Manager in the area of contracts management and this new position will serve a dual purpose as proposed. General Manager is requesting approval to add position to Administrative Code, fill the position in the interim and have authority to make permanent when Administrative Code is amended. Upon motion by Director Walker, seconded by Director Hansen and unanimously carried, it was:

RESOLVED: That Board approve the position of IT Professional/Contracts Administrator and to authorize staff to proceed to amend Administrative Code to reflect this change and to fill position.

4B) Establish new position for District Engineer: General Manager discussed with Board consideration for establishing a new position of District Civil Engineer. General Manager noted that current District Engineer, Dave Russell has worked for the District for a number of years and is paid at consultant rates for his services. Staff is evaluating the potential cost savings of making that a fulltime position but cautioned that we need to be aware of the unfunded liability of future retirement benefits. General Manager will bring to next meeting the results of that evaluation.

4C) Declare Savin color copier as surplus property: General Manager informed Board of need to declare as excess Savin color copier located in the Executive Secretary's office. General Manager requested Board approval to declare property as surplus and staff is in process of making determination for the removal and disposition of property. Upon motion by Director Walker, seconded by Director Rutan and unanimously carried, it was:

RESOLVED: That Board declare Savin color copier as surplus property.

4D) Purchase of Fuel Truck from AV Fuel: General Manager discussed with Board that in April of this year District initiated an RFP for fuel vendors and received bids from Air Petro which supplies Chevron products, Air BP and AV Fuel. The RFP included the acquisition of one 3000 gallon fuel truck for a five year period with option to purchase. Bids were scored against the RFP and interviews were conducted. In addition he noted that Fuels Supervisor Harold Smith visited sites that were serviced by these vendors to gather cost information associated with their services at similar airports in our region.

Staff determined cost savings could be as much as 16 cents per gallon. AV Fuel included in their proposal to offer a fuel truck for One Dollar if District took an early '90s model or if District decides to upgrade they would offer to apply a \$75,000.00 credit toward a fuel truck of our choice. Fuels Supervisor will host tenants Tuesday along with new fuel vendor for a one-on-one discussion of new fuel accounting system. AV Fuel has government contracts which will now allow District to dispense fuel at a pre-determined government rate and the District will receive a pre-negotiated amount per gallon. General Manager requested Board approval of contract and approval to purchase fuel truck pending staff and legal counsel's review of contract. Upon motion by Director Hansen, seconded by Director Walker and unanimously carried, it was:

RESOLVED: That Board approve contract and the purchase of fuel truck from AV Fuel utilizing credit in the amount of \$75,000.00 and General Manager authorized to execute the same on behalf of the District.

4E) Mercy Air Service, Inc. Lease: District staff has reviewed the proposed lease and determined that the project is exempt under CEQA title 14CCR Section 15301 and General Manager is authorized to file a notice of exemption, as necessary. The premises shall be occupied and used by the tenant for the sole purpose of aeronautical activities to include aircraft maintenance and storage. General Manager discussed with Board new contract with Mercy Air for Building 60. It was noted that this contract contains a six month out clause that in the event the Hangar 60 site is required for the construction of a new hangar by another client and they are forced to relocate, District will offer them a one year ground lease at no charge to enable them to construct a new hangar for their operation. Upon motion by Director Walker, seconded by Director Hansen and unanimously carried, it was:

RESOLVED: That Lease Agreement with Mercy Air Service, Inc. be approved as submitted for Building 60, parking and associated flightline ramp (approximately 20,000 sq.ft.) and the President and Secretary authorized to execute the same on behalf of the District.

4F) Resolution to amend CalPERS Contract: General Manager reviewed with Board

their action at last meeting to initiate the process to amend CalPERS Retirement Contract as it relates to local safety employees. General Manager read into the record the proposed changes as it pertains to the following sections as follows:

“To provide Section 20042 (One-Year Final Compensation); Section 21335 (3% Annual Cost-of-Living Allowance Increase Base Year 2009); Section 21427 (Improved Nonindustrial Disability Allowance); and Section 21623.5 (\$5,000 Retired Death Benefit) for local safety members.”

General Manager introduced Mr. Richard Santos, Senior Pension and Actuarial of CalPERS who prepared the cost analysis for the District regarding contract amendment which was approved by the Board at last meeting who was available on the phone to answer questions. It was noted that Code Section 7507 requires that CalPERS representative be available to answer any questions prior to taking action. General Manager read into the record disclosure of costs associated with contract amendment:

1) Change in the Present Value of Benefits	\$99,679.00
2) Change in the Accrued Liability	\$84,478.00
3) Change in the Total Employer Rate	7.519%

Effective January 1, 2009 Government Code Section 7507. General Manager verified with Director of Finance, who was present via telephone, that she had reviewed the changes to the contract and confirmed that the annual increase in cost to District would be \$8,646.96. Upon motion by Director Walker, seconded by Director Hansen and unanimously carried, it was:

RESOLVED: That **RESOLUTION NO. 09-07-689**
A RESOLUTION OF INTENTION TO APPROVE
AN AMENDMENT TO CONTRACT BETWEEN
THE BOARD OF ADMINISTRATION CALIFORNIA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
AND THE BOARD OF DIRECTORS EAST KERN
AIRPORT DISTRICT in the District's Resolution File and by this reference be and the same is Incorporated herein and made a part hereof as though fully set forth at length, be adopted.

General Manager approved Expenditures

4A) Hansen Enterprises Forklift repair and Block wall: General Manager reported that he authorized the repairs to a Pettibone forklift through Hansen Enterprises in the

amount of \$2,114.22 and also approved the expenditure for the installation of 205 linear feet of six-foot high block wall at the maintenance yard facility through Atkinson Masonry in the amount of \$14,800.00.

ADJOURNMENT

There being no further business to come before the Board, the Chair adjourned the meeting at 3:15 p.m.

RESOLVED: That the regular meeting of July 21, 2009 be and the same is hereby adjourned.

President

ATTEST:

Secretary

(SEAL)

July 21, 2009